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## Soviets set to double oil exports in autumn'

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THE Soviet Union may double crude oil exports this autumn because of higher output and its desire to raise foreign exchange earnings and maintain world market share, Mr Jan Vanous, of the US economic consulting firm PlanEcon said, Reuters reports from New York.

"The Soviet Union wishes to maintain its role in world oil markets and this means that it must export," said Mr Vanous, director of research. "Countries which hold supplies back until prices rise will lose market share."

The Soviet Union has set a 1986 target of 2.2m barrels per day. With first half exports averaging about 1.5 b/d, exports look set to rise above 3m b/d for the rest of the year, he said.

Mr Vanous said Soviet energy production was increasing strongly. Based on the most recent estimates available, he said coal production had increased about 4 per cent against a planned increase of 1.1 per cent above 1985.

Natural gas output was up about 7 per cent against a goal of 4.5 per cent, and crude oil output was growing at 2.9 per cent against this year's target of 3.6 per cent growth. Crude oil production was down 2.9 per cent last year.

Oil traders said Soviet oil availability had been slowly increasing in the market and Soviet exports were averaging about 1.3-1.4m b/d for the first quarter.

Mr Vanous estimates exports at 1.5-1.6m b/d for the second quarter, with an increase in the re-export of imported crude from 250,000 b/d to 400,000 b/d in the second quarter as well.

Oil traders believe the Soviet Union has only limited storage capacity so that as oil supplies build up it is forced to export.

"Even if the oil is exported to the eastern European countries rather than the West, they will only refine it and sell the products in the market, so one way or another that oil will get to the West," one international oil trade source said.

Mr Vanous said Soviet economic policies, which require large investments this year, are also pushing exports.

"This is the first year of the Five-Year Plan and the USSR needs the capital to modernise the economy and at the same time make up for the shortfall in agricultural output," Vanous said.

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